

ORIGINAL



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LKY Development Company, Inc.

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AZ CORP COMMISSION
DOCUMENT CONTROL

5040 E. Shea Blvd. 47
Suite 254
Scottsdale, Arizona 85254
(480) 951-1281
FAX: (480) 483-2736

Chairman Jeff Hatch Miller
Commissioner William Mundell
Commissioner Mark Spitzer
Commissioner Mike Gleason
Commissioner Kris Hayes
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

April 3, 2006

Dear Commissioners:

Regarding the expansion application by Arizona Water Company Docket Number W-01445A-06 over the attached area (Exhibit I), which covers land that I am the managing General Partner or Legal Representative as shown in attached (Exhibit II), I have the following comments and observations:

- 1.) I have owned and continue to own thousands of acres both in and out of Arizona Water Company's Certificated areas
- 2.) I have dealt with Arizona Water Company in the past when it was appropriate for the particular development and its location in order to extend Arizona Water Company's CC&N to serve water to our properties (Exhibit III)
- 3.) In the case of the land in Exhibit II, which was under no one's CC&N, we carefully researched which company(s) could serve our property and with lengthy discussions and negotiations with the City of Casa Grande and Global Water's regulated utilities, Santa Cruz Water Company and Palo Verde Utilities Company, it was determined that by far, the best solution to serve our property was for one utility to serve both water and wastewater; that utility for numerous reasons was Global
- 4.) We have entered into a contract with Global to serve water and wastewater and have provided Global with a letter authorizing them to seek the expansion of their CC&N to cover our property
- 5.) All of our property has an agreed upon Development Agreement, Annexation Agreement, and Planned Area Development Agreement with the City of Casa Grande that fully anticipates Global water serving our properties

- 6.) Where our properties make sense to be with Arizona Water Company, we have, where it doesn't, we have negotiated agreements with other providers
- 7.) The expansion application submitted by Arizona Water Company includes an area that is subject to a contract with Global Water. This makes no sense and may cause a great deal of harm and interference with contracts we have in place to sell portions of our land. This action by Arizona Water Company does not come close to helping figure out a regional solution to using water as efficiently as possible.
- 8.) A fully integrated water, wastewater, and re-use of effluent can be the only practical solution for the future.
We currently are masterplanning a 20,000 acre community in Western Maricopa County and after interviewing several providers of water, wastewater, or both, the only reasonable solution was to fully integrate all of these providers, so that water can be as efficiently used as possible for Arizona's future.

This application, in the end, can be no more than a stalling tactic that completely misses the point of water integration and reuse.

Respectfully,



Larry K. Yount
Managing Partner or Legal Representative

NS 120 Limited Partnership
120 Townsend, LLC
VV Monty, LLC
SVVM 80 Limited Partnership
RRY Real Estate, LLC
RRY Casa Grande 320 Limited Partnership
Robin R. Yount, LTD.
Montgomery 156 Limited Partnership
CG 215 Limited Partnership
Casa Grande Montgomery 240 Limited Partnership
Chartwell Casa Grande 40, LLC
Trading Post Road, LLC
Sacaton BL, LLC
Richard and Dana, LLC
Bruce and Karen, LLC

EXHIBIT I

one sites

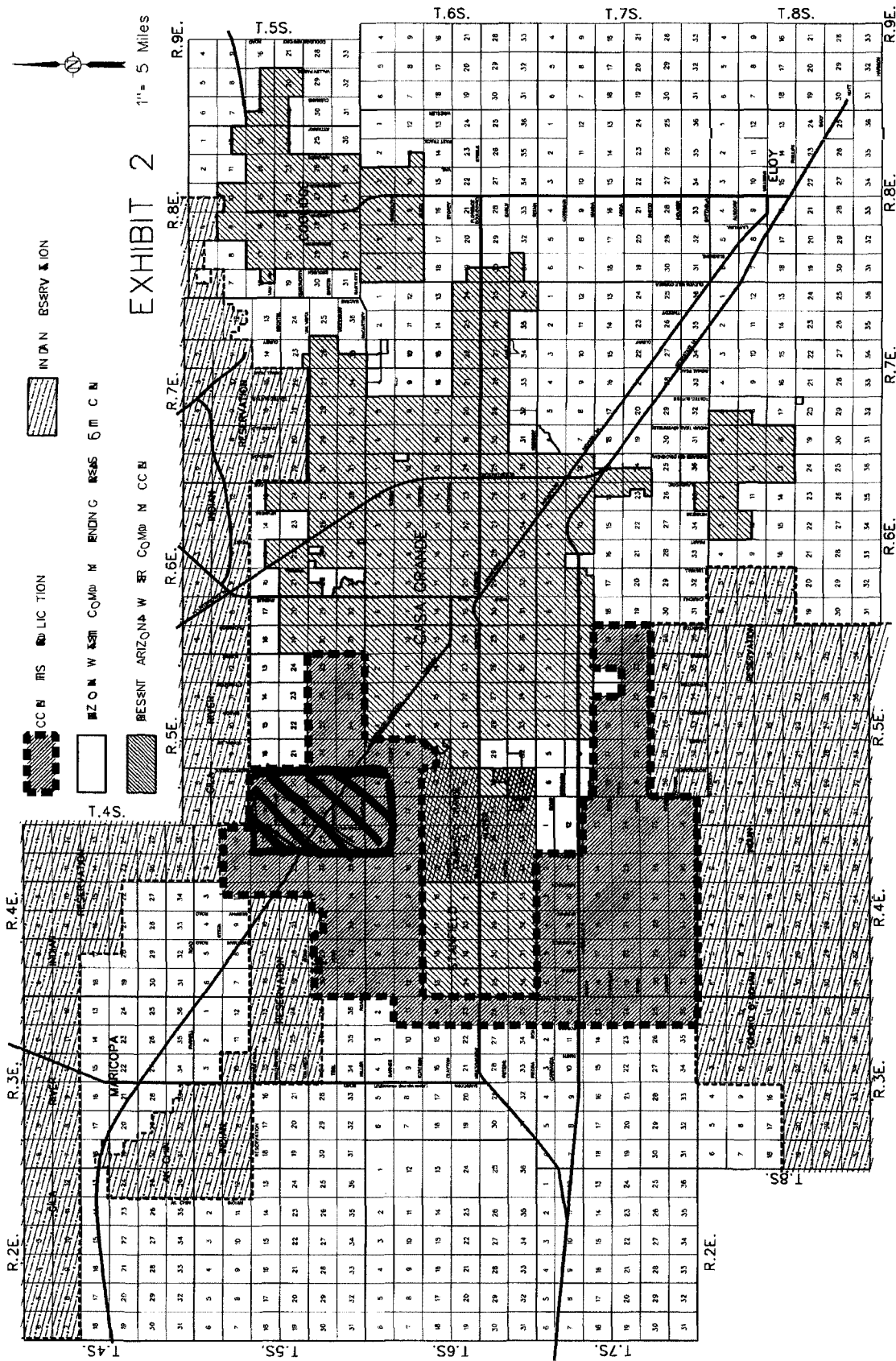
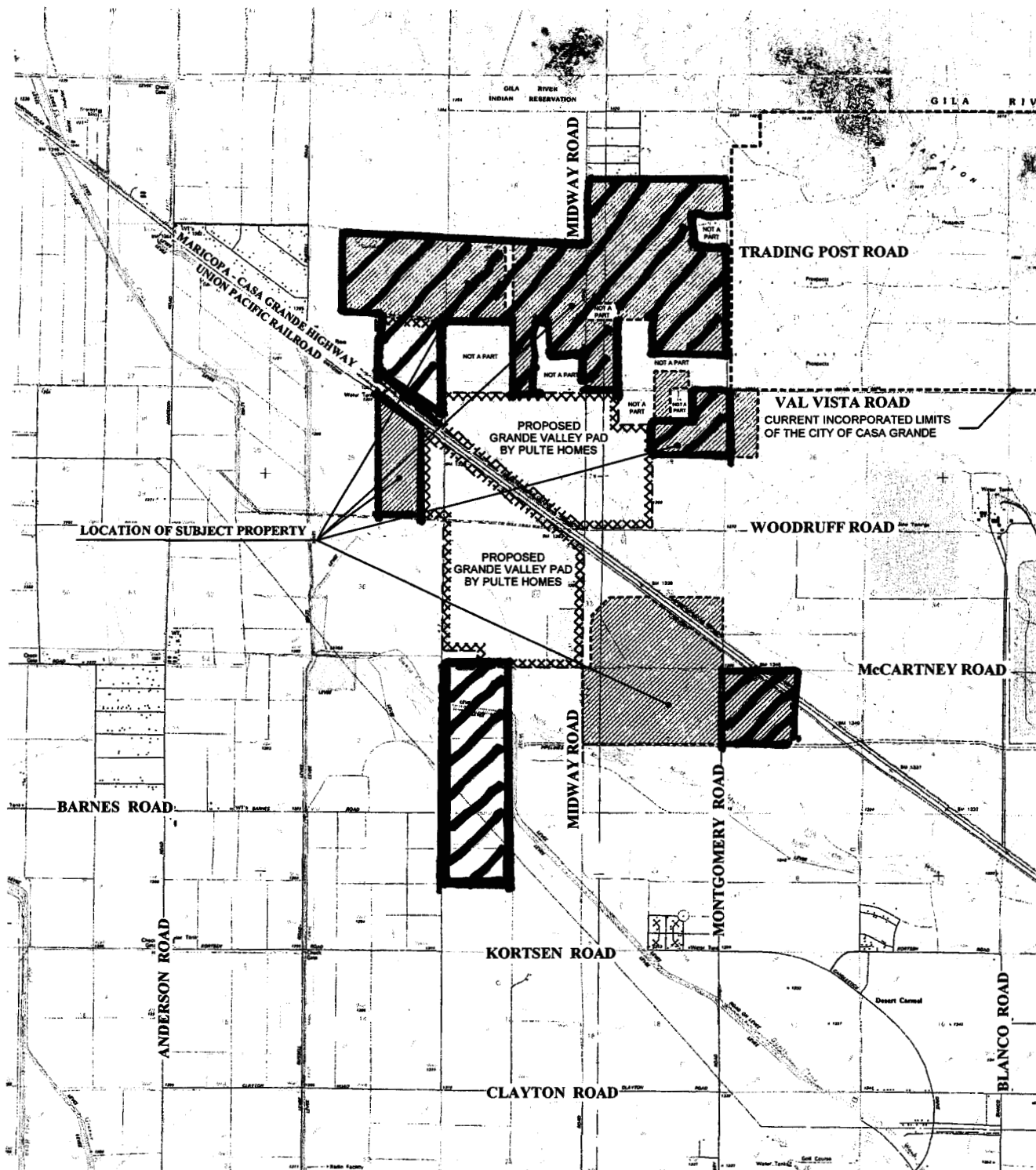


EXHIBIT II



USGS Topographic Quadrangle, 1981.

NOVEMBER 16, 2005
REVISED DECEMBER 14, 2005



EXHIBIT 1: VICINITY MAP
GRANDE VALLEY NORTH PAD

EXHIBIT III

LKY Development Company, Inc.

5040 E. Shea Blvd.
Suite 254
Scottsdale, Arizona 85254
(480) 951-1281
FAX: (480) 483-2736

March 17, 2005

Mike Whitehead
Vice President, Engineering
Arizona Water Company
P.O. Box 29006
Phoenix, Arizona 85038-9006

Re: Extension of OC&N for property that I-10 Woodruff 300 L.L.L.P.
and Daley Woodruff L.L.C. owns south of Val Vista in Casa Grande, AZ.

Dear MR. Whitehead,

I-10 Woodruff 300 L.L.L.P. and Daley Woodruff L.L.C. requests
the Arizona Water Company file an application for approval to extend
its Certificate of Convenience and Necessity in or near the City of
Casa Grande, Arizona with the Arizona Corporation Commission to include
an overall area of approximately 300 acres, which is more accurately
described in Attachment "A" and depicted on the map as Attachment "B"
both attached hereto. Please notify us when you have been issued a
Procedural Order on this extension.

Sincerely,



Larry K. Yount, Manager

PZ-14-83
-C1-1

15	10279	10279	10279
14	10279	10279	10279
13	10279	10279	10279
12	10279	10279	10279
11	10279	10279	10279
10	10279	10279	10279
9	10279	10279	10279
8	10279	10279	10279
7	10279	10279	10279
6	10279	10279	10279
5	10279	10279	10279
4	10279	10279	10279
3	10279	10279	10279
2	10279	10279	10279
1	10279	10279	10279

Owner North

28
Casa Grande
Acquisition, LLC

33

TREKELL RD.

Casa Grande
Acquisition, LLC

Owner North

CO DR.

LKY
Development

Daley
Farms

AVALC

Owner North

LKY
Development

LKY
Development

26

Owner East

13265
13145
13135

HENNESSY RD.

PZ-13-96
PZ-10-13-1
CR-1A

ARIZONA WATER COMPANY

3805 N. BLACK CANYON HIGHWAY, PHOENIX, ARIZONA 85015-5351 • P.O. BOX 29006, PHOENIX, ARIZONA 85038-9006
PHONE: (602) 240-6860 • FAX: (602) 240-6878 • WWW.AZWATER.COM

8 July 2005

I-10 Woodruff 300 Limited Partnership, LLP
5040 E. Shea Boulevard, Suite 254
Scottsdale Arizona 85254

PINAL COUNTY ASSESSOR'S PARCEL NO.: 509-44-009A

PUBLIC NOTICE OF AN APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY BY ARIZONA WATER COMPANY

Arizona Water Company has filed with the Arizona Corporation Commission ("Commission") an application for authority to provide water utility service to an area in which records indicate that you are a property owner. If the application is granted, Arizona Water Company would be the provider of water utility service to the proposed area. The Commission will require Arizona Water Company to provide this service under rates and charges and terms and conditions established by the Commission. The application is available for inspection during regular business hours at the offices of the Commission at 1200 West Washington Street, Phoenix, Arizona, and at Arizona Water Company, 220 East 2nd Street, Casa Grande, Arizona.

If you have questions or concerns about this application, have any objection to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Arizona Corporation Commission at 1200 West Washington St., Phoenix, Arizona 85007 or call 1-800-222-7000.



WILLIAM M. GARFIELD
President

E-MAIL: mail@azwater.com